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1 Year

Today

CORPORATE FINANCE

As mountains of paper continued to clog communications channels in 1987, cash managers intensified efforts to transmit information and funds electronically. Bankers displayed a keen interest in electronic data interchange last year, with a Coopers & Lybrand study concluding that the total market for related products and services will triple over the next three years. 6

Argo-Tech Corp., Cleveland, has arranged for a larger revolving credit line and added two banks to the facility — Ameritrust Co., Cleveland, and Bayerische Vereinsbank AG, Munich, West Germany. The $75 million loan replaces a $50 million facility used to finance a management buyout. 6

Bruce MacQueen, Chase Manhattan Corp. vice president, has returned to the United States as area executive for the San Francisco regional office, ending 15 years of foreign assignments. 7

INSIDE

The Bank Administration Institute has closed its Los Angeles office and is about to shut its Orlando, Fla., unit. The restructuring will leave three regional offices and its headquarters in Rolling Meadows, Ill. 2

Large Japanese banks are setting up subsidiaries for fund management as they face declining loan markets and limited opportunities for growth. 2

BankAmerica Corp. said its net recovery will be $18.15 million after settling a case involving shareholders' claims of mismanagement and a suit brought against its former insurance carrier, Employers Insurance of Wausau. 2

Staff members of the Senate Banking Committee say Feb. 17 is the most likely date for a committee vote on new powers legislation, just two weeks before the moratorium on new bank powers expires. 3

The weekly listing of financial services stocks features regional industry groups and price indexes. 12

COMMENT

E. Gerald Corrigan, president of the Federal Reserve Bank of New York, assures Rep. Charles Schumer that progress has been made in opening Japanese financial markets to U.S. firms. The letter was written after Nikko Securities Company International was approved as a primary dealer in U.S securities. 4

KEEPING CURRENT

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American Banker Job Bank

To assist our readers during this period of consolidation in the banking industry, the *American Banker* is providing free advertising space for those seeking jobs. For information on the "Job Bank," contact Sheila Driscoll at 1-800-221-1910 or in New York at (212) 943-5716.

COMMENT

Risk and Stock Performance

By SANFORD ROSE

It has been argued that the single most important determinant of bank stock performance is the current return on equity. That is, in setting the stock price, investors are said to place inordinate weight on currently reported accounting returns and, lacking the necessary information, do not appropriately capitalize the future stream of properly measured cash flows.

Otherwise stated, investors tend to assume that current ROE is a good proxy for future ROE. They do not — some say cannot — make an adequate effort to estimate the riskiness of the stream of expected future cash flows.

One who disagrees with this model of stock-price determination is John "Mac" McQuown, president of Dimensional Corporate Finance of San Francisco. Mr. McQuown feels that investors are, by and large, a canny lot. Despite manifold difficulties, they routinely penetrate the veil of accounting results in order to look to the riskiness of future earnings.

Comment: Page 4 ➳

Bank Loans Expected to Play Major Role In Financing Leveraged Buyouts in 1988

By DAVID NEUSTADT

NEW YORK — While the crash on Wall Street set back the market for leveraged buyouts, the pace of deals is expected to pick up again this year.

But players are likely to be more cautious — and that might be good news for commercial banks.

Bank loans are likely to play a bigger role in future deals, replacing junk bond financing, which was tarnished by the crash.

"Today, bank debt is a very attractive form of debt for financing leveraged buyouts," said William Conway, a managing director of the Carlyle Group, a Washington-based buyout firm.

Although the crash has hurt some players and helped others, it has not ended the game. If anything, buyouts may be more appealing now.

CORPORATE FINANCE
AN AMERICAN BANKER WEEKLY FEATURE

Before the Oct. 19 crash, the buyout market was hitting a frenzied peak. Prices had gotten out of hand, and financings were pushing the limits of credibility and creditworthiness.

"Everyone has been very transaction oriented, which is O.K. in an expanding environment," said Ronald Dubin, chairman of Dubin Clark & Co., a Greenwich, Conn.-based buyout firm. "They spent more time analyzing getting the deal done than analyzing the company they were buying. One of the good things that will come out of Oct.

Bank Debt: Page 6 ➳

1987 Closings Fall Just Below Grim Forecast

Shuttering of 184 Banks Sets Another FDIC Record

By BARBARA A. REHM and JIM McTAGUE
Washington Bureau

WASHINGTON — It wasn't as bad as predicted, but that's about the only good thing that can be said of bank failures in 1987.

With 184 banks shutting their doors and another 19 kept open only by federal assistance, a post-Depression record was set. The forecast for 1987 had been 200 failures.

REVIEW PREVIEW 1987-88

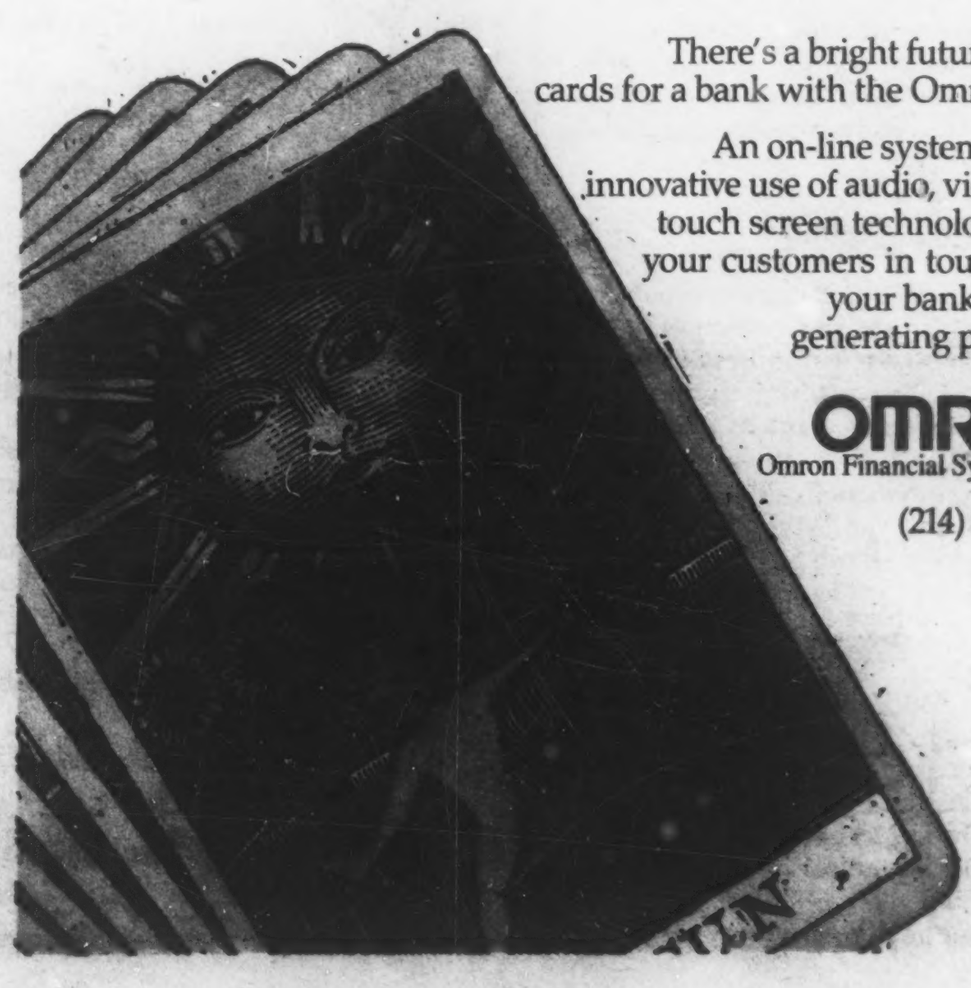
The record of bank closings established in 1937 stood unchallenged until 1984, when 79 banks folded. Since then, the Federal Deposit Insurance Corp. has become accustomed to chalking up record bank closings. Annual records were set in 1985, when 120 banks failed, and in 1986, when 138 banks failed.

Nor is the FDIC forecasting less red ink for 1988. Another record may be set this year, according to the federal agency that insures banks.

List of Bank and Thrift Failures
Page 20

Only a few months ago, the FDIC was predicting a 25% decrease in the number of bank failures this year. But the stock market tumble on Oct. 19 and the ensuing fears of a recession seem to have forced the agency to reexamine its economic assumptions. No one at the FDIC would be surprised by 200 failures this year.

Tally: Page 3 ➳



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IN THE NEWS

NCNB Writes Off Loans

CHARLOTTE, N.C. — NCNB Corp. said it wrote off $60 million of loans to Mexico in the fourth quarter and added another $60 million to its loan-loss reserve to cover other Mexican loans. The aftertax bite from the move will be $36 million, or 44 cents per share. NCNB said the chargeoff represents a 56% discount of its $107 million portfolio of Mexican loans. NCNB indicated its fourth-quarter earnings will be $12 million to $15 million. The bank projected 1987 profits of $164 million to $167 million, or $2 to $2.03 a share, compared to 1986 earnings of $199 million, or $2.53 a share.

BankAmerica Sells Swiss Unit

SAN FRANCISCO — BankAmerica Corp. said it expects to realize a $70 million pretax gain in the fourth quarter of 1987 from the sale of its 41% interest in U.O.B. Holding SA, the parent of Geneva-based United Overseas Bank. The unit was purchased by Dresdener Bank AG and Banque Nationale de Paris SA, BankAmerica's partners in the Swiss holding company. The price and terms of the deal were not disclosed.

Fleet Completes Merger

PROVIDENCE, R.I. — The $1.05 billion interstate merger of Fleet Financial Group, Providence, and Norstar Bancorp, Albany, N.Y., was completed on Jan. 1, creating a $24 billion-asset holding company. The combined company is known as Fleet/Norstar Financial Group Inc. and ranks No. 22 in the U.S., based on Sept. 30, 1987, asset figures. In a related development, Standard and Poor's Corp. raised its ratings on the combined firms' debt because of the merger.

Senate Plans Crash Probe

WASHINGTON — The Senate Banking Committee plans to hold hearings on the Oct. 19 stock market crash during the first week of February, according to a committee staffer. The committee has not finished lining up witnesses, the staff member said.

Factoring Unit Transferred

NEW YORK — Citizens and Southern National Bank, Atlanta, completed its acquisition of Chemical Bank's factoring unit on Dec. 31 for about $30 million in cash, the two banks said. Including this transaction, Citizens and Southern is the country's third largest factor, with 1987 sales of $4.2 billion. The Chemical unit handled factored sales of about $2 billion annually.

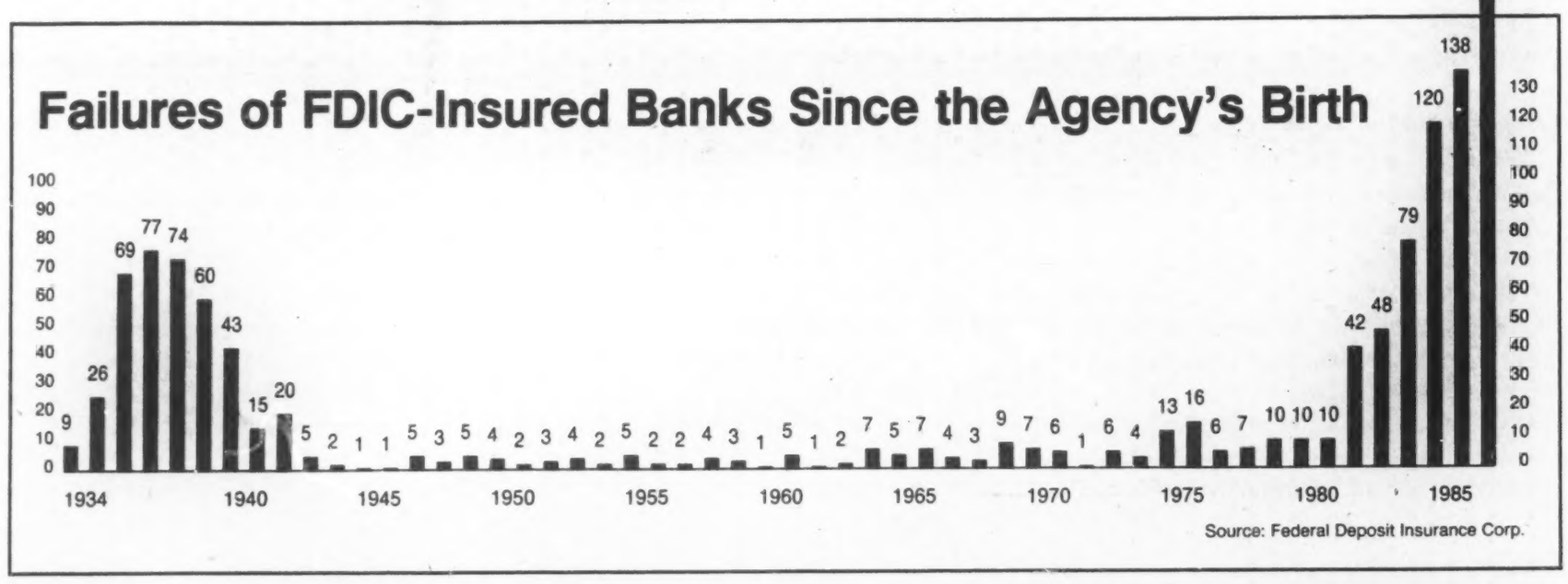
St. Louis Bank Cuts Prime

ST. LOUIS — Southwest Bank of St. Louis said on Monday it would cut its prime rate to 8.5% from 8.75%. Nationwide, the last round of cuts in the prime came Nov. 6, when the base lending rate was cut to 8.75% from 9%. By late Monday afternoon, no major banks had followed Southwest Bank's example.

Lincoln Savings Converted

NEW YORK — Unicorp American Corp. said it had completed its $150 million acquisition of New York City-based Lincoln Savings Bank and had converted the bank to the stock form of ownership.

— Compiled by Dennis P. O'Connell



Tally of Bank Failures Not as Bad as Predicted

➳ Continued from Page 1

The FDIC does not expect ever again to see the days of a mere 10 failures a year, as happened as recently as 1981. David C. Cooke, deputy to the FDIC's chairman, said in a speech last October that if closings can be held to 40 annually, the FDIC will be satisfied.

Conditions in the thrift industry weren't any brighter last year and aren't expected to get better in 1988.

The Federal Home Loan Bank Board has about 400 insolvent savings and loans on its hands. The Bank Board intends to resolve a minimum of one case a week in 1988, compared to 47 case resolutions in 1987 and 28 in 1986.

The resolutions include the 31 troubled institutions that were either merged or sold with assistance from the Federal Savings and Loan Insurance Corp. and the 16 that were closed. Another 24 thrifts were placed in the Bank Board's management consignment program, where professionals are hired to nurse the institutions back to health.

In the farm credit arena, the agriculture business is improving — and that's good news for the FDIC. Farm banks should continue to constitute fewer bank failures. In 1987, 55 agriculture banks gave up the ghost, slightly less than the 59 farm banks that fell in 1986 and the 62 that died in 1985.

Federal agencies provided more cash assistance to prevent banks from folding in 1987. The number of endangered banks that received FDIC assistance to remain open last year hit 19, up from seven in 1986, and four in 1985.

> The stock market tumble on Oct. 19 and the ensuing fears of a recession seem to have forced the Federal Deposit Insurance Corp. to reexamine its economic assumptions.

The FDIC also employed for the first — and so far only — time its "bridge bank" authority on Oct. 30 when it took control of Capital Bank & Trust Co. in Baton Rouge, La., an ailing bank with $372 million in assets. The FDIC obtained congressional approval last August to take over and operate a failing bank — serving as a bridge — until a buyer can be found or some other remedy devised.

It is unclear if this bridge bank approach will be used more or on larger banks in 1988. But the FDIC claims merely having the option increases its bargaining leverage when negotiating bank takeovers.

The average asset size of the banks that failed in 1987 was $37.6 million, down from $53 million in 1986, according to John J. Quinn, in the FDIC's research department.

Bank failures continued to hit some parts of the country worse than others. In 23 states, no bank failures or assistance deals took place last year. Texas had more failures, 50, and assistance deals, 13, than any other state. In 1986, Texas had 26 closings.

If closings and assistance in Colorado, California, Louisiana, Kansas, and Oklahoma are added to the Texas massacre, the tally hits 128. Thus, 63% of all bank closings or assistance deals occurred in southwestern states. The FDIC attributes this region's problems to nonperforming loans for energy, real estate, and agriculture.

By comparison, only 11 banks failed in the 22 states east of a line drawn from Michigan to Alabama.

The Southwest also continues to cause problems for the Bank Board, which embarked on a program aimed at merging several smaller insolvent institutions with bigger, healthier S&Ls there. The Bank Board expects that the new entities, supported by infusions of cash from the FSLIC, will become profitable in two to three years.

The FSLIC, for its part, will take equity positions in the new companies so it can share in any future profits. The first merger of this type took place Dec. 31 in Louisiana.

The problem bank list expanded in 1987, peaking at 1,635 and ending the year at 1,575. At yearend 1986, the problem bank list was 1,484, or 10% of the approximately 14,800 banks insured by the FDIC. Back in 1982, the FDIC problem list totaled 369 or 2.5% of the insured banks. ■

Delay Seen in Committee Vote on New Powers

By ROBERT M. GARSSON
Washington Bureau

WASHINGTON — The Senate Banking Committee will not vote on new powers legislation until the third week of February, staffers say, less than two weeks before the moratorium on new bank powers is to expire.

The committee has not announced a new markup date, but a number of staffers acknowledged that the scheduled Jan. 27 date will not be met. They cite Feb. 17 as the most likely day for a vote.

"I'm almost certain it will be the third week of February," said one staff member.

Virtually no one who follows banking legislation had expected Congress to act on new powers before the moratorium expires on March 1, even though the restrictions were intended to give Congress time to consider how to restructure the financial services industry.

With the delay, it is unlikely that legislation will even make it to a Senate floor vote before March.

The House Banking Committee also is expected to consider new powers legislation in February. Committee Chairman Fernand J. St Germain, D-R.I., has put his staff to work on a draft bill, or committee print, which he said will serve as a markup vehicle.

Mr. St Germain has not provided details of the bill, but his legislation is expected to authorize limited new securities powers while setting restrictions on insurance and real estate activities. Mr. St Germain also has promised new consumer legislation, which could include lifeline consumer accounts for the poor.

A number of other bills probably will be considered by the committee at the same time. The most recent entry was unveiled Dec. 21 by Rep. Tom Ridge, R-Pa., and Rep. Paul Kanjorski, D-Pa. Their bill would permit banks to underwrite commercial paper, mutual funds, municipal revenue bonds, asset-backed securities, and long-term corporate debt.

Meanwhile, Rep. Charles E. Schumer is still pondering whether to sponsor a bill of his own. Mr. Schumer's bill, if introduced, probably would include only a few powers and contain consumer legislation opposed by the banking industry.

Observers also expect it would close a loophole in Section 20 of the Glass-Steagall Act, which the Federal Reserve Board has used to approve 11 banking applications for limited securities underwriting affiliates. ■

Panel: No Manipulation in Trading of Futures

WASHINGTON — The Commodity Futures Trading Commission said that it found no evidence of manipulation in trading of the Chicago Board of Trade's "major market maxi futures contract" on Oct. 20, the day after the stock market crash.

The regulator studied trading between 11 a.m. and 12:30 p.m., Central Standard Time, which includes the period when other index futures exchanges were closed and the index rallied about 80 points.

Several observers have charged that trading by a few large firms in the index on the day following Black Monday helped boost the market. The commission's trading and market division found that the most active traders in the period studied sold more often than they bought and that they were not trading on behalf of proprietary accounts of clearing members. ■

COMMENT

➳ Continued from Page 1

Indeed, argues Mr. McQuown with some vehemence, the chief determinant of stock price performance is not income, but risk — in particular asset risk, as measured by the variability of domestic commercial and industrial loan losses.

To demonstrate this point, Mr. McQuown and his colleagues have done a considerable amount of empirical work — in the form of reams of carefully constructed regressions. Initially, they correlated stock performance in the years 1982 through 1986, as measured by the raw percentage change in prices, with domestic asset risk, as measured by the standard deviation of gross commercial and industrial loan losses. They found a strong and extremely significant relationship for a sample of 49 of the largest banks — that is, banks with lower asset risk had better price performance and those with greater asset risk had poorer performance.

Alpha, Not Beta

But, of course, such results can be misleading. In order to compare stock returns, one must factor out the impact of each bank's systematic risk, or its beta. For example, a bank with substantially greater leverage than its peers tends to be more exposed to macroeconomic changes, and movements in its stock price may therefore by more related to general economic vicissitudes than to its individual asset risk, which is mostly of the unsystematic or avoidable variety — i.e., it can be reduced through diversification.

What the Dimensional analysts did was to filter out the effect of betas as well as that of general market movements, as measured by the change in the performance in the S&P 500, in order to arrive at what is called an alpha. This is a bank's stock price performance net of the market return and its own systematic or unavoidable risk.

Thus an alpha of 2% means that the bank's stock did two percentage points better per year than one would have expected based on the market's overall performance and the systematic risk of the institution itself. Alpha is therefore that portion of the stock price movement over which bank managements have some substantial degree of control.

Dimensional found a strong and statistically significant inverse relationship between the asset risk of the 49 banks, as measured once again by the standard deviation or variability of gross domestic commercial loan losses, and their alphas.

Adding Variables

To determine whether this is a causal relationship rather than a mere correlation, Dimensional added a number of other variables to the regression exercise. Including a variable for asset size did not change the conclusion; size had a negligible impact on alpha, while the very strong negative relationship between asset risk and alpha persisted.

Next Dimensional plugged in a variable for foreign exposure — the ratio of foreign loans to the total assets of the bank. This had some impact on alpha, but its inclusion did not diminish the overpowering link between domestic asset risk and stock performance.

Then the analysts introduced a leverage variable — the ratio of equity to assets (actually the reciprocal of leverage). Reasoning that the impact of leverage is captured in a bank's beta, or systematic risk, Dimensional did not anticipate that it would have much of an effect on alpha, from which the influence of systematic risk has been purged. And indeed it didn't.

Since leverage multiplied by the return on assets equals the return on equity, it is unlikely that there is anything in ROE that is not also captured in ROA. So Dimensional concentrated on regressing ROA against alpha.

In regressions in which ROA was included, but the domestic asset risk variable was excluded, ROA had a very significant impact on stock performance. But that's because ROA already encompasses risk — that is, the higher the level of losses, the lower the ROA.

Insignificant ROA

However, when the risk variable — the standard deviation of losses — is explicitly introduced, the influence of ROA on alpha declines sharply. *Indeed, ROA actually becomes statistically insignificant (anemic values for t and F). But the domestic asset risk variable remains highly significant — in fact, at least six times more significant than the income variable.*

Based on the results of these regressions, Mr. McQuown concludes that large banks suffer more from a risk than a spread problem. Banks that move downstream to cultivate middle-market customers may succeed in increasing nominal returns, but usually only at the price of assuming much greater asset risk.

And the evidence indicates that the marketplace will pay far more attention to this augmented risk than it will to temporarily higher portfolio returns. As a result, the bank's stock performance is very unlikely to improve. Downscaling, the preferred lending strategy of most money center and large regional banks, would seem to be a misguided endeavor.

The Primary Concern

To be sure, if a bank can find a way of raising income without a commensurate increase in risk, its stock price will unquestionably move up. But that is hardly a realistic scenario.

In any event, says Mr. McQuown, the elusive search for a free lunch — income without risk — seems like a second-order concern when a bank can act immediately to reduce portfolio risks through better diversification.

By participating in loan pools that enable it to lend to a broader segment of the population of borrowers in any given risk class, a bank can potentially reduce the standard deviation of its loan losses. According to Dimensional's calculations, an institution that lowered the standard deviation, or loan-loss variability, by 10 basis points would have raised its stock return by around 3.5 percentage points per year from 1982 through 1986. ■

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TEXT

Corrigan Defends Move on Japanese Dealers

Two weeks ago, the Federal Reserve Bank of New York named three new primary dealers, including Nikko Securities Company International, the fourth Japanese bank to join the ranks of the primary dealers, which are now 43 in number.

Following is a letter to Rep. Charles E. Schumer, D-N.Y., from E. Gerald Corrigan, president of the Federal Reserve Bank of New York, explaining the move. Rep. Schumer is in his fourth term and is a member of the House Banking Committee and the House Budget and Judiciary committees.

□

IN VIEW OF your continuing interest in our practices regarding primary dealer designations, I want to inform you of our decision to add three more firms, one of which is Japanese-owned, to our existing dealer list. I also want to summarize for you my assessment of the progress realized over the past year in improving conditions for U.S. firms to participate in Japanese financial markets, as well as what I would look forward to in that regard in the period ahead.

The three new firms being added to our list are CRT Government Securities Ltd., a subsidiary of Chicago Research & Trading Group; Lloyds Government Securities Corp., a subsidiary of Lloyds Bank PLC; and Nikko Securities Company International, a subsidiary of the Nikko Securities Co. Ltd. These firms have been developing their government securities dealer business for some time, and we have been monitoring their progress closely throughout this year. Since they presently meet our established criteria for primary dealers, and since we have had sufficient time to adjust to last year's significant expansion in the list, we feel it is now appropriate to take this action.

We also understand that two existing U.S.-owned primary dealers are completing negotiations which could, in the very near term, result in both of those firms being acquired by Japanese banks. Both acquisitions would be subject to review and approval under the Bank Holding Company Act.

It is only after any such reviews have been completed that we would make a separate, final determination of the firms' continuation as primary dealers, giving attention to the ability of new owners to add further financial, managerial, and market-making capacity to the dealer operations.

The effect of these actions, including the pending acquisitions, would potentially bring to 12 the number of foreign-owned primary dealers, including six Japanese-owned firms.

This increased international character of the primary dealer group not only reflects the growing importance of international investor capital flows in the U.S. government securities market, but also the increased importance

Text: Page 5 ➳

This increased international character of the primary dealer group not only reflects the growing importance of international investor capital flows in the U.S. government securities market, but also the increased importance of that market to all types of financial institutions active in international capital markets.

— E. Gerald Corrigan
President
Federal Reserve Bank of New York

Banks and Thrifts that Failed or Were Rescued in '87

Continued from Back Page

• 74. **Farmers State Bank,** Maddock, N.D., closed May 8. Assets of $11.8 million. Deposits totaled $11.6 million. Two branches reopened as branches of the Ramsey National Bank and Trust Co. of Devils Lake, Devils Lake, N.D.

• 75. **Marlin National Bank,** Marlin, Tex., closed May 14. Assets of $44.3 million. Deposits of $42.5 million assumed by Bank of Longview NA, Longview, Tex. One branch reopened next day as a branch of Bank of Longview.

• 76. **Todd County State Bank,** Long Prairie, Minn., closed May 14. Assets of $14.3 million. Deposits of $14.1 million in 4,600 accounts assumed by First National Bank of Long Prairie. Of two branches, one shut down. The other reopened May 15 as a branch of First National.

77. **United Bank,** Libby, Mont., closed May 14. Assets of $15.8 million. Deposits of $14.5 million in 4,900 accounts assumed by First National Bank in Libby, Libby. United's one office reopened May 15 as a branch of First National.

• 78. **First National Bank of Elbow Lake,** Elbow Lake, Minn., closed may 14. Assets of $17.5 million. Deposits of $16.2 million in 2,750 deposit accounts assumed by First National Bank of Fergus Falls, Fergus Falls, Minn. Elbow Lake's one office reopened May 15 as a branch of Fergus Falls.

79. **Bank of Oak Grove,** Oak Grove, La., closed May 21. Assets of $23.3 million. Deposits of $22.9 million in 4,800 deposit accounts assumed by West Carroll National Bank of Oak Grove. Failed bank's two offices reopened May 22 as branches of West Carroll.

80. **Lake Austin National Bank,** Austin, Tex., closed May 21. Assets of $42.5 million. Deposits of $37 million in 4,300 deposit accounts assumed by Greater Texas Bank Southwest NA, Austin. Failed bank's one branch reopened May 22 as a branch of Greater Texas.

81. **Texas Investment Bank NA,** Houston, closed May 21. Assets of $15.1 million, including about $54,000 in 17 accounts that exceeded FDIC insurance limit. Deposits of $13.4 million. Failed bank's one office will not reopen. This is an insured deposit transfer. Texas Investment customers will have access to their funds at River Oaks Bank, Houston, on May 22.

82. **Texas National Bank-Westheimer,** Houston, closed May 28. Assets of $27.5 million, deposits of $26.7 million in 1,200 accounts including $327,000 in 32 accounts that exceeded FDIC insurance limits. Failed bank's one office will not reopen. This is an insured deposit transfer to Texas Capital Bank-Westwood NA, Houston.

• 83. **First National Bank of Wilmont,** Wilmont, Minn., closed May 29. An insured transfer of $10 million of First National's $11.6 million of deposits was made to Farmers State Bank of Mountain Lake, Mountain Lake, Minn. First National reopened as a branch of Farmers State June 1.

84. **United Bank of Texas,** Austin, Tex., closed June 4. Insured deposits were transferred to MBank Austin NA, Austin. All but $1.7 million of the total deposits of $163.1 million were within the federal insurance limit.

85. **The First State Bank,** Frisco, Tex., closed June 4. Insured deposits of $39.3 million assumed by Promenade National Bank, Richardson, Tex.

86. **The Benton State Bank,** Benton, Kan., closed June 11. Transfer of $8.4 million in assets to First National Bank & Trust Co., El Dorado, Kan.

87. **First State Bank,** Milford, Tex., closed June 11. Assets of $6.4 million assumed by Ellis County State Bank, Milford. Ellis County is a newly chartered bank.

88. **Northwest Commercial Bank NA,** Houston, closed June 11. Jersey Village Bank, also of Houston, acquired $12.1 million in assets.

89. **Hamilton County State Bank,** Lockland, Ohio, closed June 12. The Provident Bank, Cincinnati, assumed $7.3 million of the failed bank's $8.7 million assets.

90. **Whittier Thrift and Loan,** Whittier, Calif., an industrial bank closed June 12. Assets of $14.8 million were transferred to Liberty Thrift and Loan, Orange, Calif.

91. **Eighty Niner Bank of Coyle,** Coyle, Okla., closed June 25. Deposits of $5.4 million were assumed by the Oklahoma State Bank of Mulhall.

92. **South Denver National Bank,** Glendale, Colo., closed June 25. Deposits of $47.7 million assumed by First National Bank of Southeast Denver, Denver.

93. **Liberty Bank & Trust Co.,** Greenwood, La., closed June 26. Deposits of $11.5 million assumed by Peoples State Bank, Many, La.

• 94. **Lanesboro State Bank,** Lanesboro, Minn., closed June 6. Deposits of $10.7 million assumed by the Goodhue County National Bank, Red Wing, Minn.

• 95. **First Midwest Bank,** Maryville, Mo., closed June 18. Deposits of $25.1 million assumed by the newly chartered First Bank of Maryville, a subsidiary of Citizens Bancshares Co., Clillicothe, Mo.

96. **Pelican State Bank,** Mansfield, La., closed June 24. Deposits of $6.8 million assumed by Peoples State Bank, Many, La.

97. **Bank of Brazoria,** Brazoria, Tex., closed July 2. Deposits of $24.2 million assumed by Moulton State Bank, Moulton, Tex.

98. **Citizens Bank,** Bryan, Tex., closed July 2. Deposits of $36.3 million assumed by UnitedBank-College Station, College Station, Tex.

99. **Red Oak State Bank,** Red Oak, Tex., closed July 9. Deposits of $37.7 million assumed by ROSB Bancorp Inc., Red Oak.

100. **First Continental Bank of Rockrimmon N.A.,** Colorado Springs, Colo., closed July 9. Deposits of $5.7 million assumed by Valley Bank, Security, Colo.

101. **Farmers & Merchants Bank,** Eufaula, Okla., closed July 23. Deposits of $13.8 million assumed by Citizens National Bank & Trust of Muskogee, Muskogee, Okla.

102. **Bank of Los Gatos, N.A.,** Los Gatos, Calif., closed July 23. Deposits of $11.3 million assumed by Bank of the West, San Francisco.

103. **Bank of Granite,** Granite, Okla., closed July 30. Deposits of $12.7 million transferred to Farmers and Merchants Bank, Maysville, Okla.

• 104. **Farmers State Bank,** Kanawha, Ia., closed July 30. Deposits of $14.3 million assumed by The First National Bank of Clarion, Clarion, Ia.

105. **First National Bank of Yukon,** Yukon, Okla., closed July 30. Deposits of $38.5 million transferred to Bank of Oklahoma, Tulsa, Okla.

106. **Empire National Bank,** Los Angeles, Calif., closed July 30. Deposits of $7.6 million paid off by FDIC.

107. **The Security State Bank,** Davenport, Okla., closed Aug. 6. Deposits of $8.6 million assumed by First State Bank, Harrah, Okla.

108. **Security State Bank,** Roosevelt, Okla., closed Aug. 6. Deposits of $16.1 million assumed by First National Bank in Altus, Altus, Okla.

109. **Bayshore Bank of Florida,** Miami, closed Aug. 7. Deposits of $34.4 million transferred to Eagle National Bank of Miami.

110. **First National Bank of Luther,** Luther, Okla., closed Aug. 13. Deposits of $17.6 million assumed by First Wagoner Bank and Trust Co., Wagoner, Okla.

111. **First State Bank, Blanchard, Okla.,** closed Aug. 13. Deposits of $21.48 million transferred to First State Bank, Hinton, Okla.

112. **First National Bank of Navasota,** Navasota, Texas, closed Aug. 13. Deposits of $28.2 million assumed by First Bank, Navasota.

113. **McNulty Banking Co.,** St. Petersburg, Fla., closed Aug. 14. Deposits of $49.9 million assumed by Barnett Bank of Pinellas County, St. Petersburg.

• 114. **The First State Bank,** Willow, Okla., closed Aug. 20. Insured deposits of $5.498 million transferred to The Guarantee State Bank, Mangum, Okla.

115. **American Exchange Bank and Trust Co.,** Norman, Okla., closed Aug. 20. Deposits of $94.8 million assumed by the Bank of Oklahoma, Tulsa.

116. **American National Bank of Evanston,** Evanston, Wyo., closed Aug. 20. Insured deposits of $8.2 million transferred to Pioneer Bank of Evanston.

117. **People's State Bank of Mazeppa,** Mazeppa, Minn., closed Aug. 21. Insured deposits of $15.3 million transferred to First State Bank of Redwing, Redwing, Minn.

118. **Bank of North America,** Houston, closed Aug. 27. Insured deposits of $29.5 million transferred to Texas Commerce Bank, N.A., Houston.

119. **Citizens Bank of Glendale,** Denver, closed Aug. 27. Deposits of $3.1 million assumed by Prudential Bank, Denver.

120. **Rocky Mountain State Bank,** Salt Lake City, closed Aug. 28. Deposits of $16.3 million assumed by Citibank (Utah), Salt Lake City.

121. **First National Bank of Hammon,** Hammon, Okla., closed Sept. 3. Insured deposits of $5.5 million transferred to American National Bank, Elk City, Okla.

122. **First National Bank of Tipton,** Tipton, Okla., closed Sept. 3. Insured deposits of $7.1 million transferred to First National Bank in Altus, Altus, Okla.

123. **La Marque Bank,** La Marque, Texas, closed Sept. 10. Deposits of $6.1 million assumed by The First Bank of La Marque, La Marque, Texas.

124. **Waxahachie Bank and Trust Co.,** Waxahachie, Texas, closed Sept. 10. Deposits of $62.3 million assumed by Merchants State Bank, Dallas.

125. **Central National Bank of New York,** New York, N.Y., closed Sept. 11. Insured deposits of no more than $170 million were paid off by the Federal Deposit Insurance Corp.

• 126. **First State Bank of Rollingstone,** Rollingstone, Minn., closed Sept. 11. Deposits of $13.7 million assumed by Eastwood Bank St. Charles, St. Charles, Minn.

• 127. **The Talmage State Bank,** Talmage, Kan., closed Sept. 17. Deposits of $6.7 million assumed by The Abilene First National Bank, Abilene, Kan.

128. **Breaux Bridge Bank and Trust,** Breaux Bridge, La., closed Sept. 17. Deposits of $28.9 million assumed by MidSouth National Bank, Lafayette, La.

129. **Steeplechase National Bank,** Houston, closed Sept. 17. Deposits of $9.9 million assumed by Cypress National Bank, also in Houston.

130. **Mustang National Bank,** Mustang, Okla., closed Sept. 17. Deposits of $10.8 million assumed by The First National Bank of Moore, Moore, Okla.

131. **Stockmen's Bank and Trust Co.,** Gillette, Wyo., closed Sept. 18. Insured deposits of $96.4 million transferred to First Interstate Bank of Gillette.

• 132. **Mayfield State Bank,** Mayfield, Kan., closed Sept. 24. Deposits of $20.3 million assumed by the First National Bank of Harper, Harper, Kan.

• 133. **Murdock State Bank,** Murdock, Kan., closed Sept. 24. Deposits of $22.1 million assumed by Farmers State Bank of Norwich, Norwich.

134. **The Citizens Bank,** Drumright, Okla., closed Sept. 24. Deposits of $30.6 million assumed by the American National Bank of Bristow, Bristow, Okla.

135. **Commonwealth Bank,** Torrence, Calif., closed Sept. 25. Deposits of $78 million assumed by Capital Bank of California, Los Angeles.

136. **Valley State Bank,** Los Angeles, closed Sept. 28. Deposits of $76.5 million assumed by Capital Bank of California, Los Angeles.

• 137. **Security State Bank,** Oxford, Neb., closed Oct. 1. Deposits of $11 million assumed by Union Bank and Trust Co., Lincoln, Neb.

138. **Clay County State Bank,** Dilworth, Minn., closed Oct. 1. Deposits of $10.2 million assumed by Northwestern State Bank, Ulen, Minn.

139. **Western Bank-Westheimer,** Houston, closed Oct. 1. Insured deposits of $224 million transferred to Charter National Bank-Houston.

140. **Western Bank-North Wilcrest,** Houston, closed Oct. 1. Deposits of $43.8 million assumed by Texas Commerce Bank, Houston.

141. **Western Bank-Westwood,** Houston, closed Oct. 1. Deposits of $44.8 million assumed by Texas Commerce Bank, Houston.

• 142. **State Bank of Greenwald,** Greenwald, Minn., closed Oct. 2. Insured deposits of $18.4 million transferred to Rural Bank of Greenwald.

143. **United Services Bank,** Hartshorne, Okla., closed Oct. 8. Insured deposits of $13.5 million transferred to First National Bank & Trust, McAlster, Okla.

144. **Citizens Bank of Krebs,** Krebs, Okla., closed Oct. 8. Insured deposits of $13.2 million transferred to First National Bank & Trust, McAlster, Okla.

• 145. **The First National Bank of Brush,** Brush, Colo., closed Oct. 8. Deposits of $21.3 million assumed by The Fort Lupton State Bank, Fort Lupton, Colo.

• 146. **Citizens Bank of Ray,** Ray, N.D., closed Oct. 15. Deposits of $11.4 million assumed by First National Bank & Trust Co. of Williston, Williston, N.D.

147. **American National Bank,** Afton, Wyo., closed Oct. 15. Insured deposits of $9.9 million transferred to Star Valley State Bank, Afton.

148. **Yankee Bank for Finance & Savings, FSB,** Boston, Mass., closed Oct 16. Insured deposits of $424.1 million transferred to The Boston Five Cents Savings Bank, FSB, also of Boston.

149. **Pioneer Bank of Fountain,** Fountain, Colo., closed Oct. 21. Deposits of $10.4 million assumed by Green Mountain Bank, Lakewood, Colo.

150. **Western National Bank,** Bryan, Texas, closed Oct. 22. Deposits of $15.3 million transferred to First State Bank in Caldwell, Caldwell, Texas.

151. **New World National Bank,** Pittsburgh, Pa., closed Oct. 22. Deposits of $10.8 million assumed by Lincoln National Bank, Greensburg, Pa.

• 152. **First State Bank of Bovina,** Bovina, Texas, closed Oct. 22. Deposits of $14.4 million assumed by First Bank of Muleshoe, Muleshoe, Texas.

153. **Alaska National Bank of the North,** Fairbanks, closed Oct. 22. Insured deposits of $189 million transferred to National Bank of Alaska, Anchorage.

• 154. **American Security Bank,** North Platte, Neb., closed Oct. 30. Deposits of $24 million assumed by North Platte National Bank.

155. **Capital Bank & Trust Co.,** Baton Rouge, La., closed Oct. 30. Deposits of $308.7 million transferred to newly created Capital Bank & Trust Co., which is being run by the FDIC under its bridge bank authority granted by the Competitive Equality Banking Act.

156. **Delta Pacific Bank,** Pittsburg, Calif., closed Oct. 30. Deposits of $17.6 million assumed by Central Bank, San Francisco.

• 157. **Tri-State National Bank,** Belle Fourche, S.D., closed Nov. 10. Insured deposits of $10.8 million assumed by First Western Bank, Sturgis, S.D.

158. **Middle Park Bank,** Granby, Colo., closed Nov. 10. Deposits of $19.5 million assumed by Bank of Kremmling, Kremmling, Colo.

159. **Bank of Winter Park,** Winter Park, Colo., closed Nov. 10. Deposits of $22.3

Banks and Thrifts: Page 14

TEXT

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represents a most noteworthy step forward in the area of international financial policy coordination.

While these have been the focal points of our discussions, there are still other areas where the Japanese authorities have taken steps toward opening their financial markets — most of which were covered in the ministry's midyear announcement of a plan for further financial deregulation.

This included plans for further deposit deregulation; for improvements in short-term financial markets, including the interbank market, and the establishment of a domestic commercial paper market; for expansion of their financial futures markets; for development of their corporate bond market; and for improved foreign participation in investment advisory services.

In the year ahead, it is important that positive steps be taken in these areas and future plans made as specific as possible. It is also important that further improvements be made in terms of those policies that influence the ability of foreign firms to compete in the Japanese bond and equity markets and to introduce new financial products and services in Japan.

As in the past, we plan to follow closely the flow of policy actions directed at the further opening of foreign markets to U.S. firms and to weigh the nature and scope of these complementary actions in our future decision-making.

In closing, I would stress again that, overall, I regard the progression of events this past year as constructive and mutually beneficial. It has been one in which informal understandings and agreements have been consistently worked out and adhered to. While the process is not perfect and there is a full agenda ahead, the pattern of actions suggests we can have confidence in commitments and plans for future improvements. ■

Banks that Failed or Were Rescued in '87

Continued from Page 10

million assumed by Bank of Aspen, Aspen, Colo.

160. **West Texas State Bank of Canyon,** Canyon, Texas, closed Nov. 13. Deposits of $19.1 million assumed by First National Bank of Amarillo, Amarillo, Texas.

• 161. **The Timken State Bank,** Timken, Kan., closed Nov. 19. Insured deposits of $3.3 million in 580 accounts paid off by the FDIC because no acceptable bid was made for the failed bank.

• 162. **The Alexander State Bank,** Alexander, Kan., closed Nov. 19. Insured deposits $8.6 million in 1,300 accounts paid off by the FDIC because no bid was made for the failed bank.

163. **The Peoples Bank and Trust of Iberia Parish,** New Iberia, La., closed Nov. 19. Deposits of $77.7 million assumed by The New Iberia Bank, also of New Iberia Bancorp, La.

164. **Republic Bank,** Oklahoma City, Okla., closed Nov. 19. Deposits of $55.4 million assumed by First National Bank in Bartlesville, Bartlesville, Okla.

165. **Madison Bank and Trust Co.,** Richmond, La., closed Dec. 3. Deposits of $10.4 million assumed by Guarantee Bank & Trust Co. of Delhi, Delhi, La.

166. **State Bank of Commerce,** Slidell, La., closed Dec. 3. Deposits of $46.3 million assumed by Peoples Bank & Trust Co. of St. Bernard, Chalmette, La.

• 167. **Center State Bank,** Center, Neb., closed Dec. 3. Deposits of $7.8 million assumed by Farmers & Merchants State Bank, Bloomfield, Neb.

• 168. **Crofton State Bank,** Crofton, Neb., closed Dec. 3. Deposits of $10.6 million assumed by Farmers and Merchants State Bank, Bloomfield, Neb.

• 169. **State Bank of Jansen,** Jansen, Neb., closed Dec. 3. Deposits of $4.6 million assumed by Security National Bank, Superior, Neb.

• 170. **First State Bank,** Oakdale, Neb., closed Dec. 3. Deposits of $5.6 million assumed by First United Bank, Neligh, Neb.

171. **The Peoples Bank,** Olive Hill, Ky., closed Dec. 3. Deposits of $38.6 million assumed The Commercial Bank of Grayson, Grayson, Ky.

• 172. **The Farmers National Bank of Cordell,** Cordell, Okla., closed Dec. 3. Deposits of $60.2 million assumed by First National Bank and Trust Co., Weatherford, Okla.

• 173. **Climbing Hill Savings Bank,** Climbing Hill, Iowa, closed Dec. 3. Deposits of $5.1 million assumed by First Trust & Savings Bank, Moville, Iowa.

174. **Louisiana Bank & Trust Co.,** Crowley, La., closed Dec. 10. Deposits of $20.2 million assumed by The Evangeline Bank & Trust Co., Ville Platt, La.

175. **America Bank in Louisiana,** Morgan City, La., closed Dec. 10. Deposits of $15.7 million assumed by the St. Mary Bank & Trust Co., Franklin, La.

176. **The First National Bank in Rome,** Rome, Texas, closed Dec. 10. Deposits of $9.4 million assumed by Continental State Bank, Boyd, Texas.

177. **BancFirst-Austin,** Austin, Texas, closed Dec. 10. Deposits of $23.7 million assumed by Texas Capital Bank-Fort Bend, Richmond, Texas.

178. **Heritage National Bank,** Austin, Texas, closed Dec. 10. Deposits of $48.4 million assumed by Community National Bank, Austin, Texas.

179. **Lewis and Clark State Bank,** Lake Oswego, Ore., closed Dec. 11. Deposits of $19 million assumed by Key Bank of Oregan, Portland.

180. **First Interstate Bank of Alaska,** Anchorage, Alaska, closed Dec. 11. Deposits of $368.3 million assumed by National Bank of Alaska, also of Anchorage.

181. **American Bank of Commerce,** Lake Charles, La., closed Dec. 17. Deposits of $33.5 million assumed by National Bank of Commerce of Lake Charles.

182. **USBank,** Denton, Texas, closed Dec. 17. Deposits of $88 million assumed by United National Bank, Dallas.

183. **Bank of Maybank,** Maybank, Texas, closed Dec. 17. Deposits of $43.2 million assumed by First State Bank, Athens, Tex.

184. **First State Bank at Shoshoni,** Shoshoni, Wyo., closed Dec. 18. Deposits of $4.1 million assumed by State Bank of Thermopolis, Thermopolis, Wyo.

□

These banks, which have not failed, required financial assistance from the FDIC in order to stay open.

1. **American National Bank,** Durant, Okla. The FDIC granted financial assistance Feb. 25 to prevent a failure of the $9.1 million-deposit bank. As a result of the transaction, American National Bank merged with First National Bank of Johnston County, Tishomingo, Okla. The combined bank was named First American Bank, Tishomingo, with the Durant office operated as a branch.

2. **Central Bank and Trust Co.,** Glenmora, La. The FDIC granted financial assistance Feb. 26 to prevent failure of the $28 million-deposit bank. The assistance facilitated the merger of Central Bank and Trust with Peoples Bank and Trust Co., Natchitoches, La.

3. **Syracuse Savings Bank,** Syracuse, N.Y. The FDIC granted financial assistance May 13 to prevent a failure of the $1.1 billion-deposit bank. The assistance facilitated the merger of Syracuse Savings with Norstar Bancorp, Albany, N.Y.

4. **Security Bank of Rich Hill,** Rich Hill, Mo., received $225,000 in open-bank assistance from the FDIC on June 5. The FDIC also bought $542,000 of Security Bank's assets. The failed bank has $12.9 million in assets. Deposits total $12.7 million.

5-15. **BancTexas Group Inc.'s** 11 subsidiary banks received $150 million in FDIC assistance July 17.

• 16. **Valley Bank of Belgrade,** Belgrade, Mont., received FDIC assistance of $3 million July 31. Valley Bank was then acquired by Mountain Bank Systems Inc., Whitefish, Mont., which contributed $1 million toward Valley Bank's recapitalization.

17. **Commercial Bank N.A.,** Oklahoma City, Okla., received $4.5 million in FDIC assistance Sept. 16 to prevent the $23.8 million bank from failing. Commercial Bank was bought by William M. and Lynda L. Cameron, who invested $2 million.

18. **Crossroads Bank,** Victoria, Tex., received $2 million in FDIC assistance Dec. 3 to prevent the $26 million-asset bank from failing. A group led by Dorothy Ploeger invested $2.5 million.

• 19. **The Falun State Bank,** Falun, Kan., received $50,000 in FDIC assistance Dec. 29 to prevent the $3 million-deposit bank from failing. Falun State Bank was merged with the Farmers State Bank of Galva, Galva, Kan.

Assistance deals the FDIC has given preliminary approval, but has not finished are:

Alaska Mutual Bank and **United Bank Alaska,** both of Anchorage, merged and received preliminary approval for $295 million in FDIC assistance June 23 to prevent the banks from failing. Alaska Mutual holds $800 million in assets, while United Bank has $505 million. The Hallwood Group took control of the banks, investing another $65 million.

First City Bancorporation of Texas, Houston, received preliminary approval for $970 million in FDIC assistance Sept. 9 to prevent the $12.2 billion holding company with 61 banks from failing. A group led by A. Robert Abboud took over First City, investing $500 million.

Jefferson Guaranty Bank, Metairie, La., received preliminary approval for $57.5 million in FDIC assistance Sept. 16 to prevent the $307 million-asset bank from failing. Jefferson Guaranty became part of a newly formed holding company, Royal Windsor Holding Corp., which invested $17 million. ■

Thrifts that Failed or Were Rescued

Mergers Assisted by the FSLIC

1. **Guaranty Federal Savings and Loan Association,** Harrison, Ark., a $40.1 million-asset institution, merged on Jan. 12 with Superior Federal Bank FSB, Fort Smith, Ark., with $616 million in assets.

2. **Magic Valley Savings and Loan Association,** Weslaco, Tex., with $107.7 million in assets, acquired Jan. 16 by San Antonio Savings Association, with $2.4 billion in assets.

3. **Western Savings and Loan Co.,** Salt Lake City, a $400 million-asset institution, merged on Feb. 19 with Crossland Savings FSLA, Bradenton, Fla., with $1.2 billion in assets and Crossland Savings FSB, Gainesville, Fla., with $137 million in assets. The resulting institution was Crossland Savings FSB, a federally chartered stock savings bank.

4. **First Federal Savings and Loan Association of Beloit,** Beloit, Kans., a $82.9 million-asset institution, acquired on Feb. 27 by Home Savings and Loan Association FA, Kansas City, Mo., with $1.1 billion in assets.

5. **South Bay Savings and Loan Association,** Gardena, Calif., a $62.5 million-asset institution, acquired March 6 by Standard Pacific LP, Costa Mesa, Calif., a limited partnership with $312.8 million in assets.

6. **First Security Savings and Loan Association,** Grand Junction, Colo., a $54 million-asset institution, merged on March 10 with Great American First Savings Bank FSB, Tucson, Ariz., a $2.9 billion-asset institution.

7. **Home Savings and Loan Association,** Seattle, a $150.6 million-asset institution, acquired March 13 by InterWest Savings Bank, Oak Harbor, Wash., with $342.9 million in assets.

8. **Bayou Federal Savings and Loan Association,** New Orleans, a $26.1 million-asset institution, acquired March 20 by First Federal Savings Bank, New Orleans, with $98.3 million in assets.

9. **Beacon Federal Savings and Loan Association,** Cincinnati, a $10.2 million-asset institution, merged on April 1 with Charter Oak Federal Savings Bank, Cincinnati, a $346.5 million-asset thrift.

10. **Central Savings and Loan Association,** San Diego, a $1.7 billion-asset institution, acquired April 10 by Coast Savings and Loan Association, Los Angeles, with $9.2 billion in assets.

11. **Southern California Federal Savings and Loan Association,** Beverly Hills, a $1.3 billion-asset institution, acquired April 30 by SoCal Holdings Inc., a new holding company.

12. **Fort Lee Savings and Loan Association,** Fort Lee, N.J., a $183.95 million-asset institution, merged on June 30 with Ensign Bank FSB, New York, with $1.4 billion in assets.

13. **United First Federal Savings and Loan Association,** Boise, Idaho, a $327 million-asset institution, and **Provident Federal Savings and Loan Association,** Boise, a $208.1 million-asset institution, merged on July 6 with Washington Federal Savings and Loan Association, Seattle, a $1.3 billion institution.

14. **OK Federal Savings and Loan Association,** El Reno, Okla., a $54.46 million-asset institution, acquired July 31 by Phoenix Capital Group Inc., Wichita, Kans.

15. **First Federal Savings and Loan Association,** Natchitoches, La., a $6.51 million-asset institution, merged on Oct. 30 with First Federal Savings and Loan Association of Lake Charles, Lake Charles, La., a $257.3 million-asset thrift.

16. **Gulf Federal Savings and Loan Association,** Mobile, Ala., a $6.51 million-asset institution, acquired Nov. 13 by a private minority investor group based in Mobile.

17. **Argo Federal Savings and Loan Association,** Summit, Ill., a $25.57 million-asset institution, acquired Nov. 17 by Argo Investments Ltd., Summit.

18. **Riverside Federal Savings Association,** Pine Bluff, Ark., a $912.9 million-asset institution (formerly **FirstSouth FA**), acquired Dec. 8 by Home Savings Association of Kansas City, Kansas City, Mo., a $1.1 billion-asset institution.

19. **Surety Federal Savings and Loan Association,** Morganton, N.C., a $125.8 million-asset institution, acquired Dec. 11 by National Capital Group Inc., Washington, D.C.

20. **Mt. Pleasant Savings and Loan Association,** Mt. Pleasant, Tex., a $25.4 million-asset institution, merged on Dec. 16 with Sulphur Springs Loan and Building Association, Sulphur Springs, Tex., a $71.1 million-asset institution.

21. **Boone County Federal Savings and Loan Association,** Centralia, Mo., a $20 million-asset institution, merged on Dec. 18 with United Savings and Loan Association, Lebanon, Mo., a $365.6 million-asset institution.

22. **Community Federal Savings and Loan Association,** Hamilton, Ohio, a $410.3 million-asset institution, merged on Dec. 29 with Union Federal Savings Bank, Indianapolis, an $841 million-asset thrift.

23. **Gulf Federal Savings and Loan Association,** Metairie, La., with $453 million in assets; **First Financial of Louisiana Savings and Loan Association,** Lutcher, La., with $16 million in assets; **Firstbanc Federal FSB,** Gonzales, La.; and **First Federal Savings and Loan Association,** Alexandria, La., all acquired on Dec. 31 by Pelican Homestead and Savings Association, Metairie, La., a $985 million-asset institution.

24. **American Federal Savings and Loan Association,** Lynchburg, Va., a $200 million-asset institution, merged on Dec. 31 with First Federal Savings and Loan Association, Roanoke, Va., an institution with $504 million in assets.

25. **First Federal Savings Bank,** Slidell, La., with $46.6 million in assets, and **First Financial Bank FSB,** New Orleans, with $748.7 million in assets, merged on Dec. 31 with Alabama Federal Savings and Loan Association, Birmingham, a $1.2 billion-asset institution.

26. **Gibson Federal Savings and Loan Association,** Gibson City, Ill., a $138.5 million-asset institution, merged on Dec. 31 with Champion Federal Savings and Loan Association, Bloomington, Ill., a $2.2 billion-asset institution.

Closings

1. **First Savings and Loan Association,** Burkburnett, Tex., with $213 million in assets, closed Jan. 16.

2. **Umpqua Savings and Loan Association,** Roseburg, Ore., with $112.8 million in assets, closed Jan. 16.

3. **Life Savings of America FSB,** Rockford, Ill., with $380 million in assets, closed Feb. 13.

4. **First Federal Savings and Loan Association of Beloit,** Beloit, Kan., with $82.9 million in assets, closed Feb. 27.

5. **First Federal of Maryland FSA,** Hagerstown, with $115.2 million in assets, closed March 20.

6. **First Southern Savings Association,** Pascagoula, Miss., with $49.7 million in assets, closed March 20.

7. **Equitable Savings and Loan Association,** Fountain Valley, Calif., with $59.12 million in assets, closed March 30.

8. **Summit Savings and Loan Association,** Park City, Utah, with $120.8 million in assets, closed April 10.

9. **Future Savings and Loan Association,** Albany, Ore., with $66.4 million in assets, closed April 10.

10. **Centennial Savings and Loan Association,** Guerneville, Calif., with $209 million in assets, closed April 24.

11. **Liberty Federal Savings Association,** Leesville, La., with $138.2 million in assets, closed April 24.

12. **Capitol Federal Savings Bank,** Mt. Pleasant, Iowa, with $159.8 million in assets, closed May 8.

13. **Frontier Savings and Loan Association,** Fairbanks, Alaska, with $6.95 million in assets, closed June 12.

14. **Sierra Savings and Loan Association,** Minden, Nev., with $13.5 million in assets, closed Oct. 23.

15. **Tri-County Savings and Loan Association,** Camden, N.J., with $39.1 million in assets, closed Nov. 13.

16. **Vernon Savings and Loan Association,** Dallas, with $1.17 billion in assets, closed Nov. 19.

Placed Under Management Consignment

1. **North America Savings and Loan Association,** Santa Ana, Calif., with $219 million in assets, on Jan. 23.

2. **Universal Savings Association FA,** Chickasha, Okla., with $106.3 million in assets, on Feb. 13.

3. **Key Savings and Loan Association,** Englewood, Colo., with $241.6 million in assets, on Feb. 27.

4. **Victor Federal Savings and Loan Association,** Muskogee, Okla., with $564 million in assets, on March 16.

5. **Perpetual Savings Bank,** Santa Ana, Calif., with $61.9 million in assets, on March 18.

6. **Vernon Savings and Loan Association,** Dallas, with $1.3 billion in assets, on March 20. (Closed on Nov. 19.)

7. **South Florida Savings Bank,** Miami, with $175.2 million in assets, on March 25.

8. **Tahoe Savings and Loan Association,** South Lake Tahoe, Calif., with $84.4 million in assets, on April 2.

9. **Southern Floridabanc Savings Association,** Boca Raton, with $224 million in assets, on April 16.

10. **Liberty Savings and Loan Association,**

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Two Groups File For Bank Charters In Philadelphia

By A. JOSEPH NEWMAN JR.

PHILADELPHIA — Applications have been filed for two new bank charters in downtown Philadelphia, one of them in Chinatown.

The proposed Asia Bank of Commerce, which is seeking a state charter, would serve the growing Asian community here, according to James McCloskey, one of the organizers. Initial capital of $5 million would be raised through a private offering, he said, adding that several major area banks have expressed interest in buying stock.

Mr. McCloskey, a financial consultant, said the 100,000 Chinese, Koreans, and other Asians who live in Philadelphia would be "more comfortable dealing with their own bank." He said tellers would be bilingual and trilingual.

"No one has circled the [Asian] wagons," he said.

He said the bank would also cater to the general small-business market, which "larger banks are ignoring."

Two previous attempts to form banks for the Asian community here — one in Chinatown, the other in a Korean neighborhood — were aborted in the recent past.

The other recently proposed bank, Metrobank of Philadelphia, which has filed for a national charter, also picked a niche — commercial real estate lending.

Raymond Weisbein, proposed chairman, and his brother Jerome, proposed chairman of the real estate committee, are principals of Weisbein Enterprises, a real estate development, management, and investment firm.

Initial capital of at least $5 million would be raised via a public offering, according to Stephen Carroll, executive vice president and chief operating officer. Mr. Carroll, who was with Ryan, Beck & Co. and Provident National Bank here, said Metrobank would also do a general banking business. ■

First Fidelity Agrees to Increase Housing Fund

Special to the American Banker

NEWARK, N.J. — The New Initiative Coalition, which uses the Federal Community Reinvestment Act to force concessions from banks planning interstate mergers, has scored another victory.

First Fidelity Bancorp., a Newark-based bank holding company, has agreed to make more than $30 million available below the market rate for low-income and middle-income housing. The money will be used for home improvements, home mortgages, and construction aid by nonprofit groups. In return, the coalition will drop objections to the holding company's merger with Fidelcor Inc. of Philadelphia.

First Fidelity joins Midlantic Banks Inc. of Edison and First Jersey National Corp. of Jersey City in settling with the coalition. Midlantic said in late 1986 it would provide $11 million, and First Jersey agreed to provide $28 million last year.

The coalition then withdrew its opposition to those firms' mergers. Midlantic's acquisition of Continental Bancorp of Philadelphia was completed early in 1987, while First Jersey is awaiting Fed approval of its acquisition by National Westminster Bank USA of New York.

The Federal Reserve Board is studying the merger application of First Jersey and NatWest and is expected to rule early in this quarter. The merger was approved Dec. 14 by First Jersey stockholders, who will receive $82 in cash per share for a 50% premium. The total cost to National Westminster PTL of London is $820 million.

According to the agreement with the coalition, First Fidelity will provide $5 million a year for three years in mortgage loans at 1.5% below the bank's prevailing rate. The loans, which may be for as long as 30 years, are earmarked for homes occupied by one to four families.

$3 Million at 1% Below Market

Up to $3 million a year will be made available for three years for home improvement loans at 1% below market.

First Fidelity will make a total of $5 million available for two nonprofit groups for site acquisition and construction of housing projects, with another $5 million for long-term financing of rental projects at the bank prime rate, with no points or fees.

Grants of up to $150,000 a year will be made for three years to assist in funding affordable housing projects.

A spokesman for First Fidelity denied that the bank was "pressured" into the agreement, asserting that First Fidelity was "delighted" to support the coalition's efforts. ■

Bank Institute Closing Two Regional Offices

➳ Continued from Page 2

courses, publications, and seminars. It covers less than one-fourth of its $25 million annual budget with dues, and that proportion has been shrinking for several years.

The field representatives play a role in the institute's program to reach the grass-roots level. They travel frequently, calling on members and supporting programs of local chapter.

"Having a field network gives the institute a better reading of the pulse of our constituents," Mr. Foss said.

Most of the field representatives are former bankers or persons with experience selling services to bankers. "They are well grounded in what has been taking place in the banking industry, deregulation, and the merger trend," Mr. Foss said.

The trend toward superregional mergers in the West and Southeast has reduced the number of banks. This may help explain the decision to close offices in California and Florida.

Mr. Foss said he is looking for a western representative to set up shop in Dallas. He said that he will talk with the Orlando representative about the possibility of relocating to Charlotte, but a decision has not been made.

Even with a streamlined branch network, the Bank Administration Institute will have more remote locations than other financial organizations, which remain highly centralized.

Mr. Burke discourages comparisons of the institute with trade groups such as the Washington-based American Bankers Association, which devote much of their resources to political lobbying. The Bank Administration Institute has evolved into an information and service provider with no political-action agenda.

Conventional trade associations are well ensconced on the Washington scene because of lobbying exigencies, but there are exceptions.

The Independent Bankers Association of America maintains corporate headquarters in Sauk Centre, Minn., where it was founded, although most of its activities revolve around its Washington office. It opened a western regional office in Huntington Beach, Calif., in 1984.

The U.S. League of Savings Institutions has split its operation between Chicago, its historical home, and Washington.

Robert Morris Associates, the trade group for commercial lenders, shares with the Bank Administration Institute a nonpolitical approach and a commitment to stay close to its 3,000 member institutions and 14,000 individual associates. Robert Morris, which is based in Philadelphia, established field offices in Atlanta in 1984 and in Houston in 1986. One field executive in each office spends most of his time on the road calling on bankers and chapter organizations. ■

Thrifts . . .

➳ Continued from Page 14

Port Richey, Fla., with $104 million in assets, on May 15.

11. **Independent American Savings Association,** Irving, Tex., with $1 billion in assets, on May 20.

12. **Security Savings Association,** Texarkana, Tex., with $424 million in assets, on June 11.

13. **Investors Federal Bank FSB,** El Reno, Okla., with $97.8 million in assets, on June 18.

14. **United Federal Savings and Loan Association,** Durant, Okla., with $91.3 million in assets, on June 29.

15. **Freedom Savings and Loan Association,** Tampa, Fla., with $1.9 billion in assets, on July 23.

16. **Acadia Savings and Loan Association,** Crowley, La., with $160 million in assets, on Aug. 6.

17. **French Market Homestead,** Metairie, La., with $328 million in assets, on Aug. 6.

18. **Sunbelt Federal Savings and Loan Association,** Watonga, Okla., with $67.6 million in assets, on Aug. 20.

19. **First Savings of Louisiana,** La Place, with $33 million in assets, on Aug. 20.

20. **Twin City Savings FSB,** West Monroe, La., with $187.2 million in assets, on Aug. 20.

21. **Phenix Federal Savings and Loan Association,** Phenix City, Ala., with $225 million in assets, on Sept. 18.

22. **Lyons Federal Trust and Savings Bank,** Countryside, Ill., with $2.2 billion in assets, on Sept. 24.

23. **First California Savings Bank of Orange,** with $226.9 million in assets, on Oct. 15.

24. **Topeka Savings and Loan Association,** Topeka, Kans., with $116.9 million in assets, on Oct. 20. ■

SEC: Banks Seeking to Swap LDC Debt Must Write Down the Loans Involved

By ROBERT M. GARSSON
Washington Bureau

WASHINGTON — Banks that offer to swap Mexican loans at a discount for bonds secured in part by Treasury securities should either write down that debt immediately or bolster their loan loss reserves, the Securities and Exchange Commission staff said Monday.

Mexico recently announced a new program under which it will exchange outstanding debt held by banks for new long-term bonds. The principal of the bonds will be secured by zero-coupon Treasury securities, which the Mexican government will purchase from the U.S. Interest will not be guaranteed.

The SEC staff said Monday that banks which tender loans to the Mexican auction agent should write down those loans to reflect the discounted price at which they were offered, even if the tender is rejected.

Alternatively, the staff said in its accounting bulletin, the bank could make additional loan-loss provisions to reflect the difference between the carrying value of the debt and the price at which it was offered.

The interpretation applies only to the loans which are actually tendered, rather than to a bank's entire Mexican portfolio, said Jeffrey C. Jones, a professional accountant in the SEC's Office of the Chief Accountant.

However, Mr. Jones said, the implication of the staff interpretation is that the entire portfolio should be valued at the same level as tendered loans.

The SEC staff also said that banks that tender loans should disclose information about the transaction to shareholders, including the value and terms of the debt tendered and the face value, carrying value, market value, and terms of the bonds received. ■

Hong Kong Firm Increases Stake in Whitney Holding

States News Service

WASHINGTON — Industrial Equity (Pacific) Ltd., a Hong Kong investment firm controlled by New Zealand financier Ronald Brierley, has increased its stake in Whitney Holding Corp. to 7.92%, according to a filing with the Securities and Exchange Commission.

The Hong Kong concern said it most recently bought 92,500 common shares between Nov. 11 and Dec. 16 at prices ranging from $52.50 and $54 each, for a total of $4.96 million.

Whitney Holding Corp. is a New Orleans-based bank holding company. ■

Accounts Restored After Bank Fraud

WILLIAMSPORT, Pa. — Northern Central Bank said the accounts of eight trust department customers are being "totally restored" following discovery of fraud and unauthorized trading involving more than $500,000 by a former trust officer.

The bank said its costs were "significant," but not material, and the $700 million-asset bank's 1987 earnings will be substantially higher than in 1986. No cost was given, but it included $300,000 in special legal and accounting fees.

The bank is a unit of the $2.3 billion-asset Keystone Financial Inc., State College, Pa.

Northern Central said Richard F. Neidig, who resigned in April 1986, has pleaded guilty to charges of intent to defraud. The bank said the fraud involved trading of securities between the accounts, creating artificial gains, and diverting the proceeds to other accounts. A federal indictment said he diverted only $2,000 to his own use.

The irregularities were discovered, the bank said, after a normal, unscheduled audit following the officer's departure. ■

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BACKPAGE

Banks and Thrifts that Failed or Were Rescued in '87

WASHINGTON — The following is a list of U.S. banks insured by the Federal Deposit Insurance Corp. that failed or received FDIC financial assistance during 1987.

The bank list is followed by a compilation of thrifts that failed or required assistance from the Federal Savings and Loan Insurance Corp.

A bullet (•) denotes an agricultural bank, defined by the FDIC as having agricultural loans exceeding 25% of its total loans.

The number of insolvent banks that were either liquidated or merged into other companies is 184. Nineteen banks received FDIC assistance to keep them from failing. In 1986, 138 banks closed and seven got financial help from the FDIC.

One bank became the FDIC's first "bridge bank" last year.

□

1. **Bowie National Bank**, Bowie, Tex. Closed Jan. 8. Deposits of $12.6 million assumed by Bowie State Bank, a newly chartered subsidiary of Montague Bancshares Inc., Weatherford, Tex.

2. **The Security National Bank & Trust Co. of Norman**, Norman, Okla., closed Jan. 8. Deposits of $174.4 million assumed by a newly chartered bank of the same name, owned in equal parts by First Commercial Corp., Little Rock, Ark., and Northwest Arkansas Bancshares Inc., Bentonville, Ark.

3. **American National Bank of Grand Junction**, Grand Junction, Colo., closed Jan. 8. All but $2,000 of the total of $7.1 million in deposits were within the federal deposit insurance limit. Insured deposits transferred to Intrawest Bank of Grand Junction.

• 4. **State Bank of Cuba**, Cuba, Ill., closed Jan. 9. Deposits of $17.6 million assumed by National Bank of Canton, Canton, Ill.

• 5. **Latimer Bank and Trust**, Latimer, Iowa, closed Jan. 15. Deposits of $21.9 million assumed by the First National Bank of Clarion, Clarion, Iowa.

• 6. **The First National Bank of Rush Springs**, Rush Springs, Okla., closed Jan. 15. Deposits of $12.5 million assumed by First National Bank of Maysville, Maysville, Okla.

7. **First Charter Bank**, Denver, closed Jan. 15. Deposits of $9 million assumed by Century Bank and Trust, Denver.

8. **The First National Bank of Skiatook**, Skiatook, Okla., closed Jan. 15. Deposits of $13.8 million assumed by American Exchange Bank, Collinsville, Okla.

• 9. **National Bank of Frederick**, Frederick, Okla., closed Jan. 22. Insured deposits transferred to First National Bank and Trust Company, Frederick. All but $260,000 out of total deposits of $23.3 million were within the federal insurance limit.

10. **The First National Bank of Marlborough**, Marlborough, Mass., closed Jan. 23. Insured deposits transferred to Worcester County Institution of Savings, Worcester, Mass. About $1.5 million out of total deposits of $47.2 million were within the federal insurance limit.

11. **First Sierra Bank**, Bishop, Calif., closed Jan. 23. Insured deposits transferred to Security Pacific National Bank, Los Angeles. All but $673,000 out of total deposits of $23 million were within the federal insurance limit.

• 12. **The Farmers National Bank of Remington**, Remington, Ind., closed Jan. 29. Deposits of $33.6 million assumed by Lafayette National Bank, Lafayette, Ind.

• 13. **First State Bank of Pattonsburg**, Pattonsburg, Mo., closed Jan. 29. Deposit payoff. Deposits totaled $5.5 million, all within the federal insurance limit.

14. **Peoples Bank and Trust Co.**, Holdenville, Okla., closed Jan. 29. Deposits of $19.3 million assumed by The Bank, McAlester, Okla.

• 15. **The La Pryor State Bank**, La Pryor, Tex., closed Jan. 29. Deposits of $5 million assumed by Zavala County Bank, Crystal City, Tex.

16. **Montgomery County Bank NA**, in The Woodlands, Tex., closed Jan. 29. Deposits of $44.3 million assumed by Texas Commerce Bank NA, Houston.

17. **Bear Creek National Bank**, Bear Creek, Tex., closed Jan 29. Deposits of $25.6 million assumed by Jersey Village Bank, Houston.

18. **Boulevard State Bank**, Wichita, Kan., closed Feb. 5. Deposits of $84.9 million assumed by Union Boulevard National Bank, Wichita, a newly chartered subsidiary of Union Bancshares Inc., Wichita.

• 19. **State Bank of Allison**, Allison, Iowa, closed Feb. 5. Deposits of $16.7 million assumed by Lincoln Savings Bank, Reinbeck, Iowa.

20. **Sunbelt National Bank**, Dallas, closed Feb. 5. Deposit payoff. All but $32,000 of total deposits of $11.1 million were within the federal insurance limit.

21. **Market National Bank**, Denver, closed Feb. 5. Insured deposits transferred to Women's Bank NA, Denver. All but $110,000 of total deposits of $8.9 million were within the federal insurance limit.

22. **Community Bank**, Seiling, Okla., closed Feb. 11. Deposits of $5.4 million assumed by First National Bank of Seiling.

23. **Federated National Bank**, Live Oak, Tex., closed Feb. 11. Deposit payoff. All but $127,000 of total deposits of $11.4 million were within the federal insurance limit.

24. **Security National Bank**, Midland, Tex., closed Feb. 12. Deposit payoff. All but $41,000 of total deposits of $7.7 million were within the federal insurance limit.

25. **First City Bank of Atoka**, Atoka, Okla., closed Feb. 13. Deposits of $12.4 million assumed by the Atoka State Bank, Atoka.

• 26. **First State Bank of King City, Missouri**, King City, Mo., closed Feb. 13. Deposits of $13.8 million assumed by Citizens Bank and Trust Co., Chillicothe, Mo.

27. **The County Bank, Manatee County**, Palmetto, Fla., closed Feb. 13. Deposits of $163.2 million assumed by NCNB National Bank of Florida, Tampa.

28. **First State Bank of Atmore**, Atmore, Ala., closed Feb. 19. Deposits of $11.4 million assumed by First National Bank of Atmore.

29. **Hub City Bank and Trust Co.**, Lafayette, La., closed Feb. 20. Deposits of $37.5 million assumed by the Hibernia National Bank, New Orleans.

30. **The First National Bank of Weslaco**, Weslaco, Tex., closed Feb. 20. Deposit payoff. All but about $366,000 of total deposits of $69.2 million were within the federal insurance limit.

31. **First National Bank of Crosby**, Crosby, Tex., closed Feb. 26. Deposits of $8.2 million assumed by a newly chartered national bank subsidiary of Central Bancshares of the South Inc., Birmingham, Ala. The new institution retained the name of the failed bank.

• 32. **Farmers State Bank**, Hart, Tex., closed Feb. 26. Deposits of $9 million assumed by Hale County State Bank, Plainview, Tex.

• 33. **The Lewistown Bank**, Lewistown, Ill., closed Feb. 27. Deposits of $14 million assumed by the National Bank of Canton, Canton, Ill.

• 34. **The First State Bank**, Rockford, Iowa, closed March 4. Deposits of $14.6 million assumed by First Security Bank and Trust Co., Charles City, Iowa.

35. **Liberty Bank**, Houston, closed March 5. Deposits of $50.5 million assumed by Central Bank of Houston.

36. **Sealy National Bank**, Sealy, Tex., closed March 5. Deposits of $7.8 million assumed by Austin County State Bank, Bellville, Tex.

• 37. **First National Bank in West Concord**, West Concord, Minn., closed March 5. Insured deposits of $8.8 million transferred to Farmers State Bank, West Concord.

38. **First National Bank of Sapulpa**, Sapulpa, Okla., closed March 5. Deposits of $7.5 million assumed by American National Bank and Trust Co., Sapulpa.

39. **Western Bank**, El Paso, closed March 12. Deposits of $39 million assumed by MBank El Paso NA, El Paso.

40. **Plaza National Bank**, Del Rio, Tex., closed March 12. Deposit payoff. All but about $38,000 of the total of $30.4 million were within the insurance limit.

41. **Expressway Bank**, Oklahoma City, closed March 12. Deposits of $17.6 million assumed by First Interstate Bank of Oklahoma NA, Oklahoma City.

• 42. **The First National Bank of Olney**, Olney, Tex., closed March 12. Deposits of $13.4 million assumed by First National Bank of Olney, a newly chartered subsidiary of Olney Bancshares Inc.

• 43. **Beaver Creek State Bank**, Beaver Creek, Minn., closed March 13. Deposits of $7.3 million transferred to Citizens State Bank of Silver Lake, Silver Lake, Minn.

44. **United Oklahoma Bank**, Oklahoma City, closed March 17. Deposits of $94.1 million assumed by United Bank of Oklahoma, a newly chartered subsidiary of United Bankshares Inc., Oklahoma City.

45. **Red River National Bank in Clarksville**, Clarksville, Tex., closed March 19. Deposits of $22.5 million assumed by State Bank of DeKalb, DeKalb, Tex.

46. **Sweeney Bank**, Sweeney, Tex., closed March 19. Deposits of $17.6 million assumed by the First State Bank of Louise, Louise, Tex.

47. **Clarks Fork National Bank**, Fromberg, Mont., closed March 19. Deposits of $7.8 million assumed by Yellowstone Bank, Laurel, Mont.

• 48. **Morocco State Bank**, Morocco, Ind., closed March 20. Deposits of $14.1 million assumed by DeMotte State Bank, DeMotte, Ind.

49. **The Madill Bank and Trust Co.**, Madill, Okla., closed March 20. Deposits of $36.8 million assumed by First American National Bank, Tishomingo, Okla.

50. **New City Bank**, Orange, Calif., closed March 27. Deposits of $20.3 million assumed by Colonial Bank NA, a newly chartered national bank.

• 51. **The First State Bank of Billings**, Billings, Okla., closed March 26. Deposits of $9.4 million assumed by First National Bank and Trust Co., Perry, Oklahoma.

52. **Tallulah State Bank & Trust Co.**, Tallulah, La., closed March 27. Deposits of $30.2 million assumed by Bank of St. Joseph, St. Joseph, La.

• 53. **The First National Bank of Herington**, Herington, Kan., closed April 2. Deposits of $19.9 million assumed by the Bank of Herington, Herington.

54. **The Southwestern Bank NA**, Houston, closed April 9. Deposits of $14.3 million assumed by Omnibanc North Belt NA, Houston.

• 55. **First National Bank of Braman**, Braman, Okla., closed April 9. Deposits of $11.9 million assumed by Community Bank, Shidler, Okla.

56. **Commonwealth Bank**, Glendale, Colo., closed April 9. Deposits of $5.9 million assumed by Prudential Bank, Denver.

57. **Deer Lodge Bank and Trust Co.**, Deer Lodge, Mont., closed April 9. Deposits of $13.6 million assumed by Peoples Bank of Deer Lodge NA, Deer Lodge.

• 58. **The Citizens State Bank**, Brownstown, Ind., closed April 10. Insured deposits transferred to Monroe County Bank, Bloomington, Ind. All but $560,000 of total deposits of $28.1 million were within the federal insurance limit.

59. **Bank of Iron County**, Parowan, Utah., closed April 10. Deposits of $19.9 million assumed by Dixie State Bank, St. George, Utah.

60. **First Bank of Saginaw**, Saginaw, Tex., closed April 16. Deposits of $30 million assumed by Southwest Bank of Fort Worth.

• 61. **First State Bank of Forest City**, Forest City, Mo., closed April 16. Deposit payoff. Deposits totaled $6.6 million, all within the federal insurance limit.

62. **First Commercial Bank of Texas NA**, Houston, closed April 16. Deposits of $4.7 million assumed by Omnibanc North Belt NA, Houston.

63. **Bank of North Mississippi**, Oakland, Miss., closed April 22. Deposits of $13.7 million assumed by Bank of Mississippi, Tupelo, Miss.

64. **The Peoples Bank**, Collinsville, Ala., closed April 22. Deposits of $12 million assumed by Bank of Geraldine, Geraldine, Ala.

65. **North Central National Bank**, Austin, Tex. closed April 23. Deposits of $22.2 million assumed by Greater Texas Bank North, Austin, Tex.

• 66. **Osceola State Bank & Trust Co.**, Osceola, Iowa, closed April 23. Deposits of $8.4 million assumed by American State Bank, Osceola, a newly chartered subsidiary of Osceola Bancorp., Osceola, Iowa.

67. **Heritage Bank & Trust**, Salt Lake City, closed April 29. Deposits transferred to First Interstate Bank of Utah, Salt Lake City.

68. **United Bank-Houston**, Houston, closed April 30. Assets of $217.9 million. Deposits of $161.1 million in 13,400 accounts assumed by American Bank, Houston. Deposits also included about $3.1 million in 470 accounts that exceeded the federal insurance limit. The failed bank's five offices did not reopen. Customers can obtain funds at American Bank's office in Houston.

• 69. **Peoples State Bank**, Turkey, Tex., closed April 30. Assets of $6.0 million. Deposits of $5.9 million in 1,150 accounts assumed by Memphis State Bank, Memphis, Tex. Failed bank's one branch reopened May 1 as a branch of Memphis.

70. **American Bank of Commerce**, Denver, closed May 6. Assets of $25.3 million. Deposits of $22.2 million assumed by the Professional Bank of Colorado, Englewood, Colo.

71. **North American National Bank**, Littleton, Colo., closed May 7. Deposits of $8.9 million. One office closed, assets of $10.3 million transferred to FirstBank of Colorado NA, Littleton, Colo.

• 72. **First State Bank of Sisseton**, Sisseton, S.D., closed May 7. Assets of $21.2 million. Deposits of $19.7 million. Two branches reopened as branches of Farmers & Merchants Bank and Trust Co., Aberdeen, S.D.

• 73. **Moreauville State Bank**, Moreauville, La., closed May 8. Assets of $16.8 million. Deposits of $16.9 million. Two branches reopened as branches of Mansura State Bank, Mansura, La.

Banks and Thrifts: Page 10 2->

FDIC-Insured Bank Failures Around the US

	'87	'86	'85	'84	'83	'82
Alabama	2	1	2	1	1	1
Alaska	2	1				
Arizona						
Arkansas			1	2	1	3
California	8	8	7	6	5	2
Colorado	13	7	6	2	1	
Connecticut						
Delaware						
Dist. of Columbia						
Florida	3	3	2	2		1
Georgia						
Hawaii						
Idaho		1				
Illinois	2	1	2	5	6	5
Indiana	3	1	1	2	0	0
Iowa	6	10	11	3		2
Kansas	8	14	13	7	1	
Kentucky	1	2		1	1	
Louisiana	14	8		1		
Maine						
Maryland						
Massachusetts	2					1
Michigan				1		1
Minnesota	10	5	6	4	1	1
Mississippi	1			1		
Missouri	4	9	9	2	1	2
Montana	3	1			1	
Nebraska	6	6	13	5	1	
Nevada					1	
New Hampshire						
New Jersey				1	1	1
New Mexico		2	3			
New York	1		4		2	4
North Carolina						
North Dakota	2					
Ohio	1					
Oklahoma	31	16	13	5	1	3
Oregon	1	1	3	5	5	
Pennsylvania	1					1
Puerto Rico		1		1	1	1
Rhode Island						
South Carolina						
South Dakota	2	1		1	1	
Tennessee		2	5	11	12	3
Texas	50	26	12	6	3	7
Utah	3	3	1	1		
Vermont						
Virginia						1
Washington						1
West Virginia						1
Wisconsin		1	1			
Wyoming	4	7	5	2	1	
Total	184	138	120	79	48	42

The total of failures for 1987 does not include 19 assistance transactions. The total of failures for 1986 does not include seven assistance transactions.